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ONE HUNDRED SIXTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM

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March 22, 2000

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BY FACSIMILE

The Honorable Jacob J. Lew
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Director Lew:

This letter follows up on the President's March 15, 2000 report to Congress, prepared by the Office of Management and Budget (OMB), entitled "Federal Climate Change Expenditures Report to Congress." The 2000 Foreign Operations, Export Financing, and Related Programs Appropriations Act required this report to be submitted simultaneously with the President's Budget, which was transmitted to Congress on February 7th. Submitting this report over a month late makes it less useful to Congress in its evaluation of the President's \$4.4 billion budget request for climate change funding in Fiscal Year (FY) 2001.

On May 20, 1999, my Subcommittee held a joint hearing with the Senate Subcommittee on Energy Research, Development, Production and Regulation on last year's April 20, 1999 climate change report. The hearing and our subsequent correspondence with OMB addressed the astonishing absence of program performance measures (only nine were included in the report) for the 44 appropriation accounts in the President's FY 2000 budget request for climate change funding. OMB's witness at the hearing promised improved and proportionately more performance measures in the next report to Congress. Incredibly, the March 15, 2000 report largely parallels last year's report except that there are now 72 appropriation accounts and about the same proportion without any program performance measures. Page 11 of the report curiously states that only "key performance goals" are indicated.

In fact, there are no **outcome** performance measures whatsoever, which would help Congress understand what results -- in terms of improved health and decreased morbidity and mortality -- the American people could expect for the \$4.4 billion requested funding in FY 2001. That is unacceptable. As President Clinton remarked when he signed the Government Performance and Results Act (GPRA) into law, policymakers, when considering any proposed expenditure of taxpayer dollars, need to ask:

Does this work? Is it changing people's lives for the better? Can we say after we take money and put it into a certain endeavor that it was worth actually [taking] away from the taxpayers [and putting] into this endeavor and [that] their lives are better? These may seem like simple questions, but for decades they haven't been answered in a very satisfactory way. We are determined to do that.

Regrettably, the President's March 15th report gives no satisfactory answer to the question of how the Administration's climate change policies will change Americans' lives for the better. For example, the report provides no estimate of how much the proposed tax credits and expenditures will reduce average global temperatures by some future date, e.g., 2020 or 2050; no estimate of how such reductions in average global temperatures will affect U.S. regional or local weather patterns; and, most importantly, no estimate of how such regional or local weather impacts will improve public health or welfare.

Instead of **outcome** measures, I count only 17 **output** measures, 14 of which are not associated with a funding request for a specific appropriation account. For example, there are no performance measures for any of the Department of Agriculture's 22 appropriation accounts for requested climate change funding.

As a consequence, please complete the attached table, including at least one program performance measure for each appropriation account, and performance data for FY 1999, FY 2000, and FY 2001. Please do not include measures to "assist," "demonstrate," "develop," "enhance," "evaluate," "expand," "experiment," "explore," "facilitate," "improve," "provide technical assistance," "research," "support," "test," "train," etc. since they are not measurable and results-oriented. At least a three year time series of data (including a base) is critical for Congress and the American people to understand what has recently been accomplished and what would be accomplished with public funding. Absent such data, the performance goals included in the report are impossible to evaluate.

I have four additional major concerns about the report. First, several programs raise some cause for concern because they could improperly provide public funds in furtherance of the not-yet-ratified Kyoto Protocol. For example, the Global Environment Facility has committed \$2.6 billion and leveraged over \$7.8 billion for various trans-border environmental projects (p. 56); the Agency for International Development (AID) "will support over 300 activities that strengthen the capacity of over 450 public and private organization [sic] and non-governmental organizations in developing and transition countries to participate more effectively in the UNFCCC process" (p. 43); and multiple agencies -- AID, the Department of Energy, the Department of Commerce, the Trade and Development Agency, and the Export-Import Bank -- will implement a \$201 million International Clean Energy initiative to facilitate market penetration of 'climate-friendly' U.S. energy technologies and services in developing and transition countries. Collectively, these programs will provide numerous channels to promote and influence developing country participation "in the UNFCCC process," i.e., in the Kyoto Protocol negotiations. Since the U.S. Senate, in the July 1997 Byrd-Hagel resolution,

preemptively rejected the Kyoto Protocol by a vote of 95-0, taxpayers should not be asked to subsidize pro-Kyoto lobbying of (or by) developing and transition country governments.

Second, the report suggests a pro-Kyoto U.S. agenda. It interestingly includes a performance goal stating, "In 2001, the U.S. will achieve its UNFCCC objectives if Parties to the Convention fulfill the Buenos Aires Action Plan, and if more developing countries take more meaningful steps on climate change, including adopting emission targets" (p. 44). The report gives no clue as to what the Parties must do to fulfill the Buenos Aires Action Plan. It also does not explain how the U.S. could achieve its "voluntary" UNFCCC goal of reducing U.S. greenhouse gas emissions to 1990 levels without implementing regulatory policies (e.g., emission controls for carbon dioxide) that Congress has never approved.

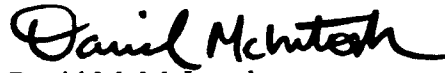
Third, the report again does not justify a new Clean Air Partnership Fund (CAPF), which was zero funded by Congress in FY 2000. It asserts that the Environmental Protection Agency (EPA) will administer the CAPF "using existing authority provided in Section 103 of the Clean Air Act" (p. 48). It was under section 103 that EPA established the now-defunct Transportation Partners Program (TPP). The TPP provoked the ire of Senator Robert Byrd and others, because it seemed to allow EPA, acting through nine "Principal Partners," to build a nationwide network of anti-car, anti-road, pro-Kyoto activist organizations. I am concerned that the CAPF may simply function as a resurrected TPP, albeit funded at much higher levels.

Finally, I question the fairness of the Renewable Energy Production Incentive (REPI), which provides "payments" to public and non-profit utilities in lieu of renewable energy tax credits. The report explains, "Public and non-profit utilities are not eligible for these tax credits because they pay no taxes" (p. 24). But if those utilities pay no taxes, then they already enjoy a tax subsidy as beneficiaries of government services that for-profit companies and other taxpayers pay for. Giving non-profits spending subsidies as well as tax subsidies puts a double burden on taxpayers. Also, if utilities cannot afford to install renewable energy technologies without a double subsidy from the Federal Government, then maybe the marketplace is trying to tell us that renewable energy technologies are not economically viable.

Pursuant to Article I of the Constitution and Rules X and XI of the United States House of Representatives, I ask that you provide the Committee with the requested information. Your response should be delivered no later than noon on Thursday, April 6, 2000 to the Subcommittee majority staff in B-377 Rayburn House Office Building and the minority staff in B-350A Rayburn House Office Building. If you have any questions about this request, please call Staff Director Marlo Lewis or Professional Staff Member Barbara Kahlow on 225-4407.

Thank you in advance for your attention to this request.

Sincerely,

A handwritten signature in black ink that reads "David McIntosh". The signature is fluid and cursive, with the first name "David" and last name "McIntosh" clearly legible.

David M. McIntosh

Chairman

Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

Attachment

cc: The Honorable Dan Burton
The Honorable Dennis Kucinich
The Honorable Joe Knollenberg
Senator Don Nickles

Senator Christopher S. Bond
Senator Robert C. Byrd
Senator Larry E. Craig
Senator Chuck Hagel

**PERFORMANCE MEASURES FOR CLIMATE CHANGE PROGRAMS AND ACTIVITIES IN THE
PRESIDENT'S MARCH 15, 2000 REPORT TO CONGRESS, BY APPROPRIATION ACCOUNT**

Appropriation Account - Climate Change Component (CCTI, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
USDA				
1. Agricultural Research Service - CCTI				
2. Forest Service/Forest & Rangeland Research - CCTI				
3. Natural Resources Conservation Service/Conservation Operations - CCTI				
4. Agricultural Research Service - USGCRP				
5. Cooperative State Research, Education, & Extension Service/Research & Education - USGCRP				
6. Economic Research Service - USGCRP				
7. Forest Service/Forest & Rangeland Research - USGCRP				
8. National Resources Conservation Service/Conservation Operations - USGCRP				
9. Agricultural Research Service - Other - Clean Energy: Biobased Products & Bioenergy				
10. Alternative Agricultural Research & Commercialization Corp - Other - Clean Energy: Biobased Products & Bioenergy				

Appropriation Account - Climate Change Component (CCTI, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
11. Cooperative State Research, Education, & Extension Service - Research & Education Activities - Other - Clean Energy: Biobased Products & Bioenergy				
12. Cooperative State Research, Education, & Extension Service - Integrated Activities - Other - Clean Energy: Biobased Products & Bioenergy				
13. Natural Resource Conservation Service - Conservation Operations - Other - Clean Energy: Biobased Products & Bioenergy				
14. Natural Resource Conservation Service - Forestry Incentives Program - Other - Clean Energy: Biobased Products & Bioenergy				
15. Natural Resource Conservation Service - Environmental Quality Incentives Program - Other - Clean Energy: Biobased Products & Bioenergy				
16. Forest Service - Forest & Rangeland Research - Other - Clean Energy: Biobased Products & Bioenergy				
17. Risk Management Agency - Admin & Operating Expenses - Other - Clean Energy: Biobased Products & Bioenergy				

Appropriation Account - Climate Change Component (CCTI, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
18. Rural Development - Rural Community Advancement Program - Other - Clean Energy: Biobased Products & Bioenergy				
19. Rural Development - Rural Cooperative Development Grants - Other - Clean Energy: Biobased Products & Bioenergy				
20. Office of the Secretary - Other - Clean Energy: Biobased Products & Bioenergy				
21. Executive Operations (Chief Economist) - Other - Clean Energy: Biobased Products & Bioenergy				
22. Departmental Admin - Other - Clean Energy: Biobased Products & Bioenergy				
DOC				
23. NIST/Scientific & Technical Research & Services - CCTI				
24. NOAA/Operations, Research, & Facilities - USGCRP - Oceanic & Atmospheric Research				
25. International Trade Commission - Other - International Clean Energy				
26. Under Secretary for Technology/Office of Technology Policy - Salaries & Expenses - Other - PNGV				

Appropriation Account - Climate Change Component (CCTI, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
27. National Institute of Standards & Technology - Scientific & Technical Research Services - Other - PNVG				
28. National Institute of Standards & Technology - Industrial Technology Services - Other - PNVG				
DOE				
	-23MMT/year by 2010 in buildings (? in #29-34) -20MMT by 2010 & -50MMT by 2020 in transportation (? in #29-34) -400M BTUs/year in 2001 in industry (? in #29-34) -29MMT/year by 2010 in industry (? in #29-34)			
29. Energy Conservation R&D - CCTI				
30. EIA - CCTI				
31. Energy Supply - CCTI - Solar & Renewable Energy R&D	-32MMT by 2010			
32. Energy Supply - CCTI - Nuclear Energy ¹				
33. Fossil Energy R&D - CCTI				
34. Science - CCTI - Basic Energy Science				
35. Science - USGCRP - Biological & Environmental Research				
36. Science (Basic Science) - Other - Clean Energy: Biobased Products & Bioenergy				
37. Energy Conservation R&D - Other - Weatherization & State Energy Grants				
38. Energy Conservation R&D - Other - International Clean Energy	-100MMT/year of methane by 2005			

¹ DOE's claim to "offset" 150MMT/year by keeping nuclear power plants open is not included as a performance measure.

Appropriation Account - Climate Change Component (CCTL, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
39. Energy Conservation R&D - Other - Clean Energy: Biobased Products & Bioenergy				
40. Fossil Energy R&D (cleaner coal & natural gas) - Other				
41. Fossil Energy R&D - Other - Clean Energy: Biobased Products & Bioenergy				
42. Fossil Energy R&D - Other - International Clean Energy				
43. Energy Supply/Nuclear Energy R&D - Other - International Clean Energy				
44. Energy Supply - Nuclear Fusion - Nuclear Energy R&D - Nuclear Research Initiative (NERI) - Other				
45. Energy Supply - Solar & Renewable Energy R&D - Other - International Clean Energy				
46. Energy Supply - Solar & Renewable Energy R&D - Other - Clean Energy: Biobased Products & Bioenergy				
HHS				
47. NIH/National Cancer Institute - USGCRP				
48. NIH/National Eye Institute - USGCRP				
49. NIH/National Institute of Arthritis & Musculoskeletal & Skin Disorders - USGCRP				

Appropriation Account - Climate Change Component (CCTL, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
50. NIH/National Institute of Environmental Health Sciences - USGCRP				
HUD				
51. Research & Technology - CCTI - PATH				
DOI				
52. US Geological Survey/Surveys, Investigations, & Research - USGCRP				
DOS				
53. International Assistance Programs/International Organizations & Programs - Other - Climate Stabilization Fund				
DOT				
54. NHTSA - Operations & Research - Other - PNGV				
TREASURY				
55. International Development Assistance/Multilateral Assistance/International Financial Institutions/Global Environment Facility - Other				
56. Tax Incentives - CCTI				
AID	-7MMT in 2001 in developing/transition countries (? in #57-61)			
57. Development Credit Authority - Other - subsidy BA - International Assistance				

Appropriation Account - Climate Change Component (CCTI, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
58. Sustainable Development Assistance - Other - International Assistance				
59. Economic Support Fund - Other - International Assistance				
60. Assistance for the New Independent States of the Former Soviet Union (FSA) - Other - International Assistance				
61. Assistance for Eastern Europe & the Baltic States (SEED) - Other - International Assistance				
62. Sustainable Development Assistance - Other - International Clean Energy EPA				
	-15MMT/year in 2001 & -60MMT/year by 2010 in buildings (? in #63-64) \$5.5B energy savings in 2001 & \$30B/year by 2010 in buildings (? in #63-64) 35% offset in GGE growth by 2010 in buildings (? in #63-64) -6.2MMT in 2001 in transportation (? in #63-64) -9.1MMT/year in 2001 in industry (? in #63-64) -15.1MMT/year of methane in 2001 in industry (? in #63-64) -18MMT/year in 2001 in industry (? in #63-64) -120MMT/year by 2010 in industry (? in #63-64) -40MMT by 2010 in carbon sequestration (? in #63-64) -1.9MMT/year in 2001 in State/local governments (? in #63-64)			
63. Environmental Programs & Management - CCTI				
64. Science & Technology - CCTI				

Appropriation Account - Climate Change Component (CCTI, USGCRP, Other)	Actual Performance Measures	Performance Data		
		FY 99	FY 00	FY 01
65. Science & Technology - USGCRP				
66. State & Tribal Assistance Grants - Other - Clean Air Partnership Fund				
EXPORT-IMPORT BANK OF THE U.S.				
67. Other - Eximbank Loans Program Acct/International Clean Energy				
NASA				
68. Science, Aeronautics & Technology - USGCRP				
NSF				
69. Research & Related Activities - USGCRP				
70. Research & Related Activities - Other - PNVG				
SMITHSONIAN				
71. S&E - USGCRP				
TRADE & DEVELOPMENT AGENCY				
72. Other - International Clean Energy				
TOTAL				